For Release 3:00 p.m. on Thursday, January 30th, 1969

The Address of A. Hazlett Lemmon President, at the 122nd Annual Meeting of The Canada Life Assurance Company January 30th, 1969

Introduction

May I also join the Chairman in welcoming all those present to the 122nd Annual Meeting of the Canada Life. It is with considerable pleasure that I report to you another year of progress in practically all divisions of the Company.

Like many other industries, the life insurance industry in Canada is undergoing a real period of testing. This can be a very trying experience for everyone involved, but if the problems are approached and handled with a constructive attitude, nothing but good can come from such a period. Hopefully, in the near future, a number of uncertainties that have been hanging over the industry will be resolved, and long-term plans can be laid with more confidence. For some years, the industry has been handicapped in making plans for the future through tax uncertainties, changing legislation, regulatory changes and other problems. However, there is some reason to expect that in many of these the air will be cleared somewhat during 1969. If it should turn out to be so, the industry will undoubtedly respond by introducing new products that will better enable it to serve its clients than under present circumstances. The need for our products has been demonstrated in many Countries over a long period of years, and I have every expectation that the industry will emerge from this period better equipped to serve this need, and to continue to make a constructive contribution to the welfare of the Countries in which we operate.

Taxation

Perhaps the most important event that occurred in 1968 affecting the future of life insurance in Canada was the budget proposal of the Minister of Finance announced on October 22nd. A year ago from this platform I discussed, in some detail, the proposals of the Royal Commission on Taxation. Happily, the Minister of Finance did not see fit to follow a good many of those proposals. He did introduce a new and comprehensive taxation system for the life insurance process involving three types of tax. In the first place, he announced that any net gain to policyholders realized after October 22nd on surrender or maturity--but not on death--should be taxed as personal income. He was very careful to exclude from this any element of retroactive taxation. If this taxation is implemented, it means that there are important values in most existing life insurance contracts which should be very seriously considered before any action is taken to terminate such contracts. In the second place, there is a tax on the investment earnings of the companies--after certain specified deductions--at a proposed rate of 15%. In the third place, any retained earnings of the company as defined will be taxed at the standard rate of corporation income tax. Since the date of this budget, representatives of the industry have had almost continual discussions with officials of the Government, as well as the Minister, regarding the details of the application of this tax. Certain proposals were made which, in the opinion of the industry, would make any such tax much more equitable in relation to the taxation of other institutions. As of this date,

the final Bill has not been introduced so that it is not possible to estimate with any accuracy the burden of these tax proposals.

Over the years, the industry in Canada has established a remarkable record of reducing the cost of life insurance to its policyholders, through improved interest earnings, increased efficiency, and in passing on the benefits of improvements in mortality. Any new tax that is levied on life insurance--obviously--must work in the opposite direction and, in the long run, make the cost of insurance higher than it otherwise would have been. If this should result in a reduction in the amount of insurance carried by Canadians, it would have very widespread social repercussions. It would also have an important effect on the accumulation of long-term contractual savings which are so short in Canada--and indeed throughout the Western World--at the present time. The Minister said in his speech that, in the opinion of the Government, the excess revenue to be gained would offset the obvious disadvantages of such a tax. It is sincerely to be hoped that the Government will weigh these considerations very seriously in determining the final burden of these proposals.

New Business

New Business figures give a measure of the effectiveness of our sales organization, and the encouraging figures we have to report this year prompt me to express some views regarding the representatives who make up our field organization. For years, Canada Life representatives have received specialized training to equip them to deal with increasingly

complicated and sophisticated financial matters. The proposed changes in income tax and in estate duties will make such training even more valuable than in the past. The industry has co-operated with the Life Underwriters Associations to improve the standard of education for life insurance representatives so as to enable them to serve their clients better. At the same time, there is probably no group of citizens more public-spirited than our representatives. Nearly all community and church organizations have among their active workers life insurance men. In many cases, it is the thought of being able to contribute a worthwhile social service that prompts people to enter this career.

As a result of the efforts of these men and women who represent our Company, more than $736 million of life insurance and annuities was purchased from us in 1968.

Chart No. 1 in the centre of the folder shows that this total includes $486.2 million of individual New Business and $250.6 million of Group. We have had more experience than most companies in Employer - Employee Benefit Plans and have an important corporate clientele in addition to our family of individual policyholders.

Business in Force

As a result of these sales, Business in Force passed the $8 billion mark during 1968 to reach the totals of $7 billion, 468 million life insurance and $1 billion, 32 million annuities. These figures exclude business that we reinsured with other companies, and the total marks an increase of $572

complicated and sophisticated financial planning. The proposed changes in income tax and in estate duties will make such services even more valuable than in the past. The industry has cooperated with the Life Underwriters Associations to improve the standard of education for life insurance representatives so as to enable them to serve their clients better. At the same time, there is probably no group of citizens more public-spirited than our representatives. Nearly all community and church organizations have among their active workers life insurance men. In many cases, it is the thought of being able to contribute a worthwhile social service that prompts people to enter this career.

As a result of the efforts of these men and women who represent our Company, more than $735 million of life insurance and annuities was purchased from us in 1966.

Chart No. 1 in the centre of the folder shows that this total includes $486.4 million of Individual New Business and $250.6 million of Group. We have had more experience than most companies in Employee Benefit Plans and have an important corporate clientele in addition to our family of individual policyholders.

Business in Force

As a result of these sales, Business in Force passed the $8 billion mark during 1966 to reach the totals of $7 billion, 468 million life insurance and $1 billion, 22 million annuities. These figures exclude ... compared with other companies and the total results an increase of 15%

million over 1967.

Chart No. 2 demonstrates some of the years in which the Company passed individual billion-dollar amounts. These totals represent the protection purchased by hundreds of thousands of individuals against the joint risks of dying too soon or living too long.

Agency Organization

No individual or company thrives without competition, and a healthy competitive spirit has always helped to build great enterprises. It is not surprising then that a keen spirit of friendly rivalry exists throughout our international organization. This is in no way detrimental to the service that we provide, nor does it make light of the seriousness of our responsibilities in doing work of significant social importance. Rather, it serves to enhance the morale of our field organization, and this is inevitably reflected in improved service to our policyholders. It is a pleasure for me at this point to identify those who achieved special recognition in 1968.

Vancouver Branch, under the management of A. L. Anthony, C.L.U. and N. A. Daly, C.L.U., who is now at Home Office, led all our branches and general agencies in New Business Credit for Ordinary Life and Annuities, as indeed it did if Group Insurance is included. The same Branch won the Volume Award in the Spring Trophy Campaign and in the Grand Challenge Campaign last Fall.

The Washington Marsh office in Washington, D. C., under D. L. Mead, C.L.U., led our entire United States Division in New

Business Credit for Ordinary Life and Annuities, while our Dublin Branch, under the management of Harry Ellis, was the leader in both New Business Credit and New Premium Income for the Division serving the United Kingdom and Ireland.

The highest honour that can be earned by a Manager of a Canada Life Branch is the President's Award. This is conferred for efficiency in all phases of management and for general excellence of service to policyholders.

In North America, the President's Award Trophy was won by A. G. Billesdon, Manager of Detroit Branch. This remarkable organization has earned this Trophy on six occasions--a record number for any Canada Life Branch.

For the second year in a row, the President's Award Trophy for the British Isles Division was won by G. T. Miller, Manager of Bristol Branch. Mr. Miller also won this Award for the first time in 1963.

Fresno Branch, under the management of L. E. Goldberg, C.L.U. earned the 1968 Spring Trophy, while Toronto Eglinton Branch, managed by G. B. Murray, C.L.U.. captured the Grand Challenge Trophy last Fall.

Income and Investment Earnings

In North American capital markets, fixed-interest capital was again in short supply and yields were at historically high levels throughout the year. In fact, at the close of the year, rates in both Canada and the United States were at record levels. Not only is the demand for capital high, but a disinclination to purchase long-term money obligations is

evident. If we are to preserve and improve our present standard of living, it is important that governments and the public as a whole make serious efforts to contain present inflationary trends. Much attention has recently been focussed on the need for capital in our society. It is pointed out that more money should be invested in housing; governments at all levels desire capital for their own projects, and private industry needs capital to maintain and improve its facilities. It is easy to point out and enumerate these needs but, unfortunately, little considered attention is focussed on the suppliers of capital in our society. Steps are needed to encourage the citizen who is willing to defer consumption today in the hope that he may have a more secure tomorrow. Savers in our society should be encouraged and the best encouragement that they could receive would be a halt to present inflationary trends. Difficult as it may be, the curtailing of inflation is a much more constructive task than trying to adapt a society to a continual fall in the purchasing-power of money.

The United Kingdom capital markets during 1968 were in a period of adapting to the changes brought about by the devaluation of November 1967. At the close of the year, it was evident that some progress had been made in alleviating balance of payments difficulties, but that considerable efforts would still be needed in 1969 to improve and extend present trends.

The net rate of interest earned on our assets during 1968 increased to 5.98% from 5.81% in 1967. The upward trend in this rate is shown in

Chart No. 3. The rate at which new money was invested during the year was the highest on record, being 7.65%. During the year, the Company made substantial investments in common stocks, where initial yields are much lower than the average rate earned on our assets. Future dividends from these common stocks, combined with income derived from ~~the~~ our increasing interest in real estate, should make some contribution over the years ahead to lowering the cost of insurance.

Total income for the year was $197 million, an increase of $13 million over 1967, ~~calculated on the same basis~~. Chart No. 4 shows that there is included in this figure, net new premium income of $35.3 million, an increase of $4.8 million over last year. This increase is a real tribute to our field force in meeting the competition, not only of other life insurance companies, but of other savings media.

Benefit Payments

Perhaps a better measure of the way a life insurance company serves the community is the level of the benefits that flow from this process. Chart No. 5 shows that in 1968 the Company paid out $45.7 million in death and disability payments, in addition to $44.3 million paid out in the form of Endowments maturing, or in cash values for emergencies. Another $14.5 million in Annuity payments helped many people enjoy a happier retirement. During the past 122 years, the Canada Life has paid to policyholders and beneficiaries, or accumulated for them, over $322 million more than it has received in premiums.

Assets

Assets at the end of the year total $1 billion, 182 million, an increase of $54 million during the year. As a study of these assets will show, we continued to concentrate our investments in mortgages, real estate and common stocks. During 1968, we transferred assets of our Canadian Staff and Agents Pension Funds to the Trustees of such Funds. It is our opinion that a company should not combine the funds of its Employees Pension Plan with its own funds, and we felt that the time had come to move the assets of our own Pension Funds to be administered separately. This transfer in no way affects the benefits payable or the Company's liability to its pensioners or to the contributors to these Funds. If it had not been for this transfer, the increase in the Company's assets during 1968, would have been greater by over $29 million.

A feature during the year was the continued growth of segregated accounts which we hold for Group and for policyholders to provide money for pensions at a future date. These accounts increased by $17 million during the year, and now total well over $37 million. This is a very rapid rate of growth as only six years ago these funds were practically non-existent.

Many times during the past year there have been comments in the news media, and by political figures, of the need for more investment in housing in Canada. The suggestion is frequently made that the life insurance industry should do more in this regard. The Canada Life is

fully aware of this need and is making a substantial contribution in this field. As an illustration, of total mortgage commitments during the past ten years, 83% was in the area of housing--and in 1968, 94% of our total Canadian mortgage commitments were in the same area. This is the highest percentage recorded in the past ten years.

Liabilities and Surplus

During 1968, the Company suffered a somewhat higher level of mortality than the very favourable level of recent years. As a result, our reported earnings are slightly lower. Nevertheless, in addition to valuing both our assets and liabilities on a very conservative basis, we have been able to add $5.5 million to Unassigned Surplus and General Contingency Reserve, now totalling almost 7% of the Company's assets, an ample but not excessive safeguard for the policyholders of the Company. We were also able to make provision for an increase in the rate of dividends on policies in the United States and the British Isles Division, continuing the trend of recent years. The rate of such policy dividends distributed in Canada is being maintained unchanged from 1968 until we gain a better knowledge of the weight of income tax which the Company must bear under the expected life insurance tax legislation. However, as I said before, eventually, any such tax now levied will make the net cost of insurance higher than it otherwise would have been.

Tribute to the Staff and Representatives

This report is basically an accounting of the stewardship of the funds of many thousands of policyholders who have relied on this Company to provide financial security for them.

Because our Company deals with people and their dreams and ambitions it requires the services of practical people with an altruistic outlook. The Canada Life family of policyholders has always been a select group of people and we have endeavoured to make sure that we have select people to serve them. We believe that we have developed an environment where such people find worthwhile careers.

With us today are our Canadian Branch Managers who have been meeting together this week as part of the continuing program directed towards the development of excellence of service to policyholders. They are representative of their associates throughout Canada, the United States, the United Kingdom and the Republic of Ireland, in the Field, Branch Offices and Home Office. On behalf of the Directors and all our other Policyholders I thank the people of Canada Life for their dedication and loyalty.

1

NEW BUSINESS PLACED BY AGENCY ORGANIZATION

(Excluding reinsurance received)

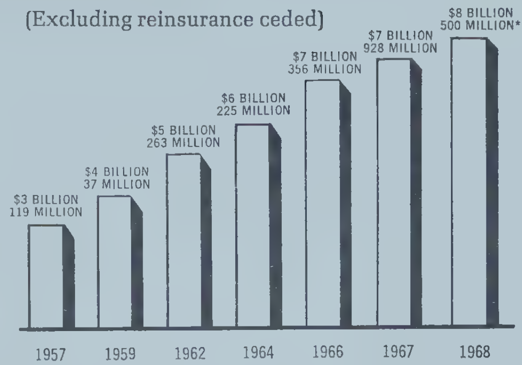
in millions	1968	1967
Individual	$486.2	$458.9
Group	250.6	344.0
Total	$736.8	$802.9†

Insurance and annuities combined

2

LIFE INSURANCE AND ANNUITIES IN FORCE

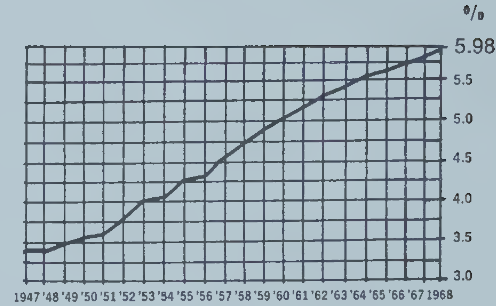
(Excluding reinsurance ceded)



*Life insurance — $7 billion, 468 million
Annuities — $1 billion, 32 million

3

NET RATE OF INTEREST EARNED 1947-1968



4

NET NEW PREMIUM INCOME

in millions	1968	1967
Individual Life	$15.9	$13.5
Group Life	1.2	1.1
Annuities	16.9	14.4
Health Insurance	1.3	1.5
Total	$35.3	$30.5†

†Charts 1, 4 and 5
1968 figures include Sterling at $2.60 to the £
1967 figures include Sterling at $2.80 to the £

5

PAYMENTS UNDER POLICY CONTRACTS

in millions	1968	1967
Death and Disability Benefits	$ 45.7	$40.7
Endowments and Cash Values	44.3	38.0
Annuities	14.5	13.0
Total	$104.5	$91.7†

6

DIVERSIFICATION OF INVESTED ASSETS

	%
Government Bonds	10.1
Municipal Bonds	4.7
Public Utility Bonds	3.5
Other Corporation Bonds	19.1
Preferred and Common Stocks	9.6
Mortgage Loans	40.6
Properties Held for Investment	3.2
Policy Loans	7.9
Miscellaneous (Office Premises, Cash etc.)	1.3
	100.0

The One Hundred and Twenty-second Annual Report of The Board of Directors of The Canada Life Assurance Company January 30th, 1969 Head Office Toronto Canada

The Report

Your Directors have pleasure in submitting the 122nd annual report including the financial statement for the year ended December 31, 1968.

New business placed by our agency organization during the year totalled $736,810,000 consisting of $669,193,000 of life insurance and $67,617,000 of annuities.

Business in force totals $8,500,154,000 excluding reinsurance ceded to other companies. This amount includes $7,468,181,000 of life insurance and $1,031,973,000 of annuities.

The total income of the Company for the year from all sources was $197,033,000 after deducting $20,972,000 premium reductions (policy dividends) allotted.

Payments to policyholders and beneficiaries totalled $104,580,000.

The Company's assets have been carefully valued and after making ample appropriations, their total is $1,182,393,000.

Liabilities arising from insurance and annuity contracts amount to $1,042,707,000 including $28,067,000 premium reductions (policy dividends) to be allowed to policyholders in 1969 and subsequent years.

Surplus and reserve funds total $83,689,000 of which $1,104,000 is a health insurance reserve, $24,000,000 is a general contingency reserve and $58,585,000 is unassigned surplus.

With great regret the Directors record the death of Mr. W. K. Whiteford as the result of an accident while returning to his home in Pennsylvania following a meeting of the Board in September. Mr. Whiteford served as a Director since 1949.

Mr. A. C. Ashforth, who was a member of the Board since 1957, retired during the year on attainment of the retirement age for Directors.

Mr. J. G. Beatty, Vice-President and Director, is retiring today, having attained retirement age. During his service in many capacities over the span of half a century, he made many notable contributions to the progress of the Company.

The wise counsel and experience of these Directors will be greatly missed.

Mr. J. G. Hungerford, who has served as a Director since 1954, was elected a Vice-President. Mr. Beverley Matthews was elected a Director.

The Board, under the authority of the By-laws of the Company, changed the number of Directors to 16 as of the date of this Annual Meeting.

The Directors express their warm thanks to all members of the Company's organization who have contributed to the excellent results of the year.

On behalf of the Board,

GRAHAM F. TOWERS
Chairman of the Board

A. H. LEMMON
President

Toronto, January 30, 1969.

STATEMENT OF ASSETS AND LIABILITIES

AT DECEMBER 31, 1968

ASSETS

		1968	1967
Bonds:			
Government	$113,683,000		
Municipal	54,127,000		
Public utility	37,976,000		
Other corporation	211,532,000	**$417,318,000**	$412,825,000
Mortgage loans		**461,430,000**	454,579,000
Stocks:			
Preferred	$ 16,271,000		
Banks and trust companies	12,970,000		
Other common	68,944,000	**98,185,000**	88,729,000
Properties held for investment		**36,448,000**	34,098,000
Loans on policies		**91,224,000**	82,541,000
Office premises		**6,418,000**	6,446,000
Cash		**7,816,000**	4,867,000
Premiums in course of collection		**9,061,000**	7,778,000
Interest and rents accrued, including $389,000 due in 1968 ($713,000 in 1967)		**11,545,000**	11,205,000
Other assets		**5,175,000**	4,400,000
		$1,144,620,000	$1,107,468,000
Segregated annuity funds		**37,773,000**	20,364,000
		$1,182,393,000	$1,127,832,000

LIABILITIES AND SURPLUS

	1968	1967
Amount required, in addition to future premiums and interest, to provide for payments guaranteed under insurance and annuity contracts	**$933,186,000**	$913,686,000
Benefits in course of payment and provision for unreported claims	**17,714,000**	14,777,000
Amounts left on deposit with the Company	**63,740,000**	60,501,000
Premium reductions (policy dividends) to be allowed in 1969 and subsequent years	**28,067,000**	26,407,000
Miscellaneous liabilities (including amounts in suspense and provision for accrued taxes and outstanding expenses)	**18,224,000**	13,857,000
Health insurance reserve	**1,104,000**	1,208,000
General contingency reserve	**24,000,000**	22,500,000
Unassigned surplus	**58,585,000**	54,532,000
	$1,144,620,000	$1,107,468,000
Segregated annuity funds	**37,773,000**	20,364,000
	$1,182,393,000	$1,127,832,000

The values at which the bonds and stocks are shown are amortized cost or less, except for assets held for variable contracts which are valued at market. The valuations of these securities prescribed by the insurance law of Canada, in total, are greater than the book values converted at corresponding rates of exchange.

At December 31, 1968 assets included above held in trust in the United States for the protection of United States policyholders totalled more than $216,000,000 which exceeded the net liabilities to United States policyholders at that date.

Throughout these statements, United States currency is included at the rate of $1.00 Canadian to the U.S. dollar. Sterling is included at $2.60 Canadian to the pound except in the revenue statement for 1967 where it is included at $2.80. If current rates of exchange had been used in the statement of assets and liabilities, rather than the bookkeeping rates referred to, the surplus as shown would have been increased.

REVENUE STATEMENT FOR 1968

WE RECEIVED

	1968	1967
Gross premiums for insurances and annuities	**$151,982,000**	$140,769,000
Less premium reductions (policy dividends) allotted	**20,972,000**	19,998,000
Net premiums	**$131,010,000**	$120,771,000
Interest, dividends and rents, after deducting $3,856,000 in 1968 and $3,737,000 in 1967 for expenses and taxes on investments	**64,642,000**	60,896,000
Profits on sale of assets, recovery of amounts previously written off, and increase in market value of assets allocated to insurance equity linked funds	**1,381,000**	2,272,000
	$197,033,000	$183,939,000

WE PAID OR SET ASIDE FOR FUTURE PAYMENT

		1968	1967
To policyholders and beneficiaries:			
Death benefits	$34,285,000		
Disability benefits	11,462,000		
Matured endowments	8,698,000		
Annuities	14,526,000		
Cash surrender options	35,609,000	**$104,580,000**	$ 91,704,000
Interest on amounts left on deposit with the Company and on short-term borrowings		**3,347,000**	3,630,000
The increase in funds required for future payments guaranteed under insurance and annuity contracts		**19,500,000**	47,647,000
Transfer to trustees of the Canadian staff pension funds		**29,454,000**	—
Expenses of administration, sales and service (excluding investment expenses)		**28,527,000**	27,313,000
Taxes (excluding investment taxes)		**5,127,000**	3,900,000
Amount written off assets		**1,049,000**	2,896,000
Result of health insurance business transferred to reserve (transfer from policy reserves in 1967)		**(104,000)**	1,208,000
Addition to general contingency reserve		**1,500,000**	1,500,000
Addition to unassigned surplus held as an additional protection for policyholders and beneficiaries		**4,053,000**	4,141,000
Balance at Dec. 31, 1968	$58,585,000		
Balance at Dec. 31, 1967	54,532,000		
		$197,033,000	$183,939,000

AUDITORS' REPORT TO THE POLICYHOLDERS

We have examined the statement of assets and liabilities of The Canada Life Assurance Company as at December 31, 1968 and the revenue statement and the statement of segregated annuity funds for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances; the amounts required to provide for payments guaranteed under insurance and annuity contracts were determined and certified by the Company's Vice-President and Chief Actuary.

Based on our examination and the certificate of the Vice-President and Chief Actuary, we report that in our opinion the accompanying statement of assets and liabilities and the related revenue statement and the statement of segregated annuity funds present fairly the financial position of the Company as at December 31, 1968 and the results of its operations for the year ended on that date.

Toronto, Canada
January 22, 1969.

CLARKSON, GORDON & CO.,
Chartered Accountants.

STATEMENT OF SEGREGATED ANNUITY FUNDS FOR 1968

		1968		1967
Balance of funds at January 1 . . .		**$20,364,000**		$10,866,000
Add:				
Amounts received from policyholders . .	**$16,060,000**		$ 9,446,000	
Investment income .	**1,719,000**		919,000	
Increase in market values of assets . .	**470,000**		—	
	18,249,000		10,365,000	
Deduct:				
Amounts transferred to fixed benefits contracts	**679,000**		213,000	
Withdrawals	**85,000**		16,000	
Expenses and taxes .	**76,000**		71,000	
Decrease in market values of assets . .	—		567,000	
	840,000		867,000	
Increase in funds during year		**17,409,000**		9,498,000
Balance of funds at December 31 . .		**$37,773,000**		$20,364,000

Represented by assets held at December 31 at market values:

	1968	1967
Bonds	**$15,450,000**	$ 9,345,000
Stocks	**13,061,000**	5,297,000
Mortgage loans	**8,196,000**	5,214,000
Cash	**710,000**	312,000
Interest and dividends accrued . .	**356,000**	196,000
	$37,773,000	$20,364,000

The Company has been issuing individual variable accumulation contracts since 1962; the assets of the fund established for these contracts are invested entirely in common stocks. Corporate pension fund variable contracts have been issued since 1964; these funds are invested in various types of assets in consultation with the administrators of each fund.

OUR NEW BUILDING

Plans for a new, ultra-modern, ten-storey office and service building have been approved by the Board of Directors of The Canada Life Assurance Company.

To be known as Canada Life Place, the building's primary purpose will be to facilitate current and future expansion of our Company operations. A secondary, but most important purpose of the new edifice, will be to provide bright, attractive leasing space for select tenants.

It will be located immediately west of the existing Home Office.

Construction is expected to begin in March of this year and we hope to occupy the new premises by early 1971, the 125th year of operation for Canada Life.

Our current building, which has dominated the intersection of University and Queen in downtown Toronto for almost 40 years, will continue as our Home Office. With its classic revival design and famous weather beacon, which was added in 1951 as a public service, the present building will form one-half of a unique architectural contrast.

The mammoth blocks of Indiana limestone and ornate sculptural trim which adorn the present building and the smooth grey-white concrete and marble of the new building, will produce a striking comparison of architectural development.

Seven of the floors will each provide 20,680 square feet of modern, bright office space.

One of the many features will be a mini-tower running the full height of the building on the southeast corner. It will house four high-speed elevators and numerous electrical and mechanical facilities for all floors.

1

NEW BUSINESS PLACED BY AGENCY ORGANIZATION

(Excluding reinsurance received)

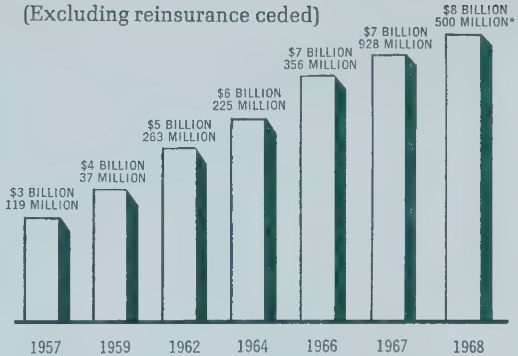
	in millions 1968	1967
Individual	**$486.2**	**$458.9**
Group	**250.6**	**344.0**
Total	**$736.8**	**$802.9†**

Insurance and annuities combined

2

LIFE INSURANCE AND ANNUITIES IN FORCE

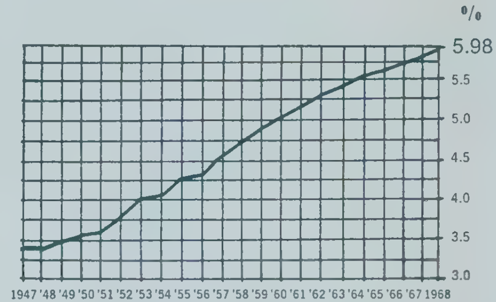
(Excluding reinsurance ceded)



*Life insurance — $7 billion, 468 million
Annuities — $1 billion, 32 million

3

NET RATE OF INTEREST EARNED 1947-1968



4

NET NEW PREMIUM INCOME

	in millions 1968	1967
Individual Life	**$15.9**	**$13.5**
Group Life	**1.2**	**1.1**
Annuities	**16.9**	**14.4**
Health Insurance	**1.3**	**1.5**
Total	**$35.3**	**$30.5†**

†Charts 1, 4 and 5
1968 figures include Sterling at $2.60 to the £
1967 figures include Sterling at $2.80 to the £

5

PAYMENTS UNDER POLICY CONTRACTS

	in millions 1968	1967
Death and Disability Benefits	**$ 45.7**	**$40.7**
Endowments and Cash Values	**44.3**	**38.0**
Annuities	**14.5**	**13.0**
Total	**$104.5**	**$91.7†**

6

DIVERSIFICATION OF INVESTED ASSETS

	%
Government Bonds	**10.1**
Municipal Bonds	**4.7**
Public Utility Bonds	**3.5**
Other Corporation Bonds	**19.1**
Preferred and Common Stocks	**9.6**
Mortgage Loans	**40.6**
Properties Held for Investment	**3.2**
Policy Loans	**7.9**
Miscellaneous (Office Premises, Cash etc.)	**1.3**
	100.0

Board of Directors

A. H. LEMMON
President

GRAHAM F. TOWERS, C.M.G., LL.D., D.C.L.
Chairman of the Board

E. C. GILL, LL.D., F.S.A., F.C.I.A.
Vice-Chairman of the Board

J. GORDON BEATTY, M.C., F.I.A., F.S.A., F.C.I.A.
Vice-President

J. G. HUNGERFORD, Q.C.
Vice-President
Chairman of the Board
National Trust Company Limited

JOHN L. McCARTHY
Vice-President

E. JACQUES COURTOIS, Q.C.
Smith, Davis, Anglin,
Laing, Weldon & Courtois
Montreal

NATHANAEL V. DAVIS
President
Alcan Aluminium Limited
Montreal

T. S. DUNCANSON
Director
Moore Corporation, Limited

RAYMOND DUPUIS, Q.C., LL.D.
Advocate and Company Director
Montreal

The Honourable
LESLIE M. FROST
P.C., Q.C., LL.D., D.C.L.
Lindsay, Ontario

J. ROY GORDON, LL.D.
Chairman Executive Committee
The International Nickel Company
of Canada, Limited
New York

J. D. LEITCH
President
Upper Lakes Shipping Ltd.

BEVERLEY MATTHEWS, C.B.E., Q.C.
Partner
McCarthy & McCarthy

NEIL J. McKINNON, LL.D.
Chairman
Canadian Imperial Bank of Commerce

F. WILLIAM NICKS, D.C.L.
Chairman of the Board and President
The Bank of Nova Scotia

ELLMORE C. PATTERSON
President
Morgan Guaranty Trust
Company of New York
New York

Management Officers

W. J. ADAMS, F.S.A., F.C.I.A.
Vice-President and Secretary

E. H. CRAWFORD
Vice-President and Treasurer

D. M. ELLIS, F.S.A., F.C.I.A.
Vice-President and Chief Actuary

J. S. HARRIS
Vice-President and Director of Agencies

J. M. MUNRO
Vice-President and Associate Director of Agencies

J. B. WALKER, F.S.A., F.C.I.A.
Vice-President and Director of Group

British Isles Officers

D. D. DENNIS, O.B.E.
Vice-President and Manager, U.K. and Ireland

D. C. H. POTTER, F.I.A.
Vice-President and Actuary, U.K. and Ireland

Divisional Officers

ACTUARIAL DIVISION

***J. R. Gray, F.S.A., F.C.I.A.**
Actuarial Vice-President

***J. C. Maynard, F.S.A., F.C.I.A.**
Actuarial Vice-President
Secretary to Management Committee

G. M. Brown, F.S.A., F.C.I.A.
H. W. McCubbin, F.S.A., F.C.I.A.
Actuaries

R. A. Haslegrave, F.I.A., F.C.I.A.
Assistant Actuary

W. H. Macklem, F.L.M.I.
Statements and Tax Officer

AGENCY DIVISION

***N. A. Daly, C.L.U.**
Agency Vice-President, Canada

***P. R. Pepper, C.L.U.**
Agency Vice-President, United States

***G. C. Tompkins, C.L.U.**
Marketing Vice-President

Administration

W. R. Armstrong
Agency Superintendent, Administration

R. H. Lyall, F.L.M.I.
Assistant Agency Superintendent, Administration

Conservation

E. K. Dawson, C.L.U.
Quality Business Control Officer

Estate Service

C. P. Glover
Superintendent of Estate Service Division

C. W. J. Harper
Assistant Superintendent of Estate Service Division

Public Relations

J. A. Morrow
Advertising Executive

Research

C. Acton
Agency Research Officer

Sales

F. A. Hale, C.L.U.
M. P. Miziolek, C.L.U.
Superintendents of Agencies

W. A. Davis
T. A. Fairbrother
W. P. Hair, C.L.U.
N. C. McFarland, C.L.U.
Assistant Superintendents of Agencies

Training

W. M. Jacobi, C.L.U., F.L.M.I.
Agency Superintendent, Training

ADMINISTRATIVE DIVISION

***J. D. Milne, F.S.A., F.C.I.A.**
Administrative Vice-President

***T. R. Walsh, Q.C.**
Vice-President and General Counsel

***W. B. Waugh, F.S.A., F.C.I.A.**
Data Processing Vice-President

Accounting

D. I. Fraser, F.L.M.I.
Comptroller

J. E. Bond, F.L.M.I.
F. L. Strevens, F.L.M.I.
Accounting Officers

Audit

R. C. Baird, C.A.
Internal Auditor

Benefits

J. W. Rintoul, F.L.M.I.
Policy Benefits Officer

E. B. Patton, F.L.M.I.
Assistant Policy Benefits Officer

Branches

L. D. Evans, F.L.M.I.
Branch Administrative Officer

Electronics

G. C. Adams, F.L.M.I.
Data Processing Officer

R. G. Day, F.L.M.I.
J. L. Thomson, F.L.M.I.
Executive Assistants, Data Processing

Legal

D. Norwood
Executive Assistant to the General Counsel

W. D. Shales
Assistant Secretary

Personnel

J. Lemon
Director of Personnel

G. H. L. Brydon, F.L.M.I.
J. G. Smalley, F.L.M.I.
Personnel Officers

Research

*H. L. Hart
Director of Special Operations
Secretary to Executive Committee

Services

G. R. Maddock, F.L.M.I.
Administrator of General Services

BRITISH ISLES DIVISION

Actuarial

P. L. Grainge, F.I.A.
Associate Actuary

V. P. Knowles, F.I.A.
Assistant Actuary

Agency

J. Dixon
R. S. Jackson
Agency Superintendents

W. P. McGrath
Superintendent, Marketing Development

Investment

W. MacKenzie
Resident Treasurer

Underwriting

E. P. Roney, F.C.I.I.
Chief Underwriter

GROUP DIVISION

***H. Schermann, F.F.A., F.C.I.A.**
Actuarial Vice-President, Group

Actuarial & Pension Administration

H. D. Lee, F.S.A., F.C.I.A.
Group Actuary

J. N. Laing, F.S.A., F.C.I.A.
Group Actuary, Research

I. A. D. Holden, F.S.A., F.C.I.A.
D. A. Nield, F.S.A., F.C.I.A.
D. S. Williams, F.S.A., F.C.I.A.
Assistant Actuaries

D. A. Jack, F.L.M.I.
Executive Assistant, Group Pensions

Life & Health Administration

D. J. McCordic, F.L.M.I.
Group Comptroller and Underwriting Officer

J. Y. Cartmell, F.L.M.I.
Executive Assistant, Group Life and Health

C. L. Cooper, F.L.M.I.
Executive Assistant, Group Life and Health

Sales

R. J. Trevelyan
Superintendent of Group Sales

E. W. Sharpe
Associate Superintendent of Group Sales

D. E. Barton
A. P. Symons
Assistant Superintendents of Group Sales

INVESTMENT DIVISION

***M. T. Gerecke**
Real Estate Vice-President

Mortgages and Real Estate

L. G. Robertson
Associate Superintendent of Mortgage Investments

F. W. C. Irwin
L. W. Matheson
Assistant Superintendents of Mortgage Investments

W. E. Sheets, B.ARCH., M.SC.
Architectural Officer

Securities

J. G. Fleming, F.L.M.I.
A. F. Lindsay
R. D. Radford, F.L.M.I.
Associate Treasurers

R. H. MacGregor, F.L.M.I.
Assistant Treasurer

D. M. Cooper, F.L.M.I.
Executive Assistant, Securities

J. G. Montgomery
Accounting Officer, Securities

UNDERWRITING DIVISION

***A. E. Parks, M.D., F.R.C.P. (C)**
Medical Vice-President

***F. E. Rooke, F.S.A., F.C.I.A.**
Underwriting Vice-President

Medical

R. W. Graham, M.D., F.A.C.P., C.R.C.P. (C)
R. S. Purkis, M.D., C.R.C.P. (C)
W. H. Spittel, M.D.
Assistant Medical Directors

Underwriting

F. A. Benneyworth
Underwriting Officer

J. W. Blakely
New Business Administrative Officer

***Member, Executive Committee**

CANADA LIFE 368-7432 ext. ~~244~~ 479 Mr. ~~Eskerod~~ Morrow

CANADIAN STATS:

Assets	1968	735,673,722. +1.85%
	1967	722,273,592.

~~Total Income~~

	1968	1967
Premiums + annuities income	89,476,333.	80,912,176.
Net Income		

Total ###### Mr. Morrow will mail total income figures to me on Monday, March 17. They could be subbed into the table. ####

New insurance sold 1968

Total	Indl (ordinary)	Group
$413,266,572.	$203,788,629.	$209,477,943.

Total life Insurance in force 1968

Total	Indl	Group
$5,301,496,004.	1,807,028,739.	3,494,467,265.